DIPALESENG MUNICIPALITY

BALANCE SHEET AT 30 JUNE 2006

	Aant Note	2004/2005 R	2005/2006 R	
CAPITAL EMPLOYED				**CAPITAL EMPLOYED**
Funds and Reserves		656,276	2,113,366	**Funds and Reserves**
Authorised Funds	1	656,276	2,113,366	Authorised Funds
Reserves	2	-	-	Reserves
(Accumulated Deficit)/Retained Surplus		46,961,970	14,427,865	**(Accumulated Deficit)/Retained Surplus**
Rates and General Services	17	46,961,970	14,427,865	Rates and General Services
Housing Service	17	-	-	Housing Service
		47,618,246	16,541,231	
Trust Funds	3	2,017,623	1,790,533	**Trust Funds**
Long-Term Liabilities	4	8,882	-	**Long-Term Liabilities**
Consumer Deposits: Services	5	758,342	850,095	**Consumer Deposits: Services**
		50,403,093	**19,181,859**	
EMPLOYMENT OF CAPITAL				**EMPLOYMENT OF CAPITAL**
Fixed Assets	6	14,394	-	**Fixed Assets**
Investments	7	2,705,759	5,788,969	**Investments**
Long-Term Debtors	8	-	-	**Long-Term Debtors**
		2,720,153	5,788,969	
Net Current Assets/(Liabilities)		47,682,940	13,392,890	**Net Current Assets/(Liabilities)**
Current Assets		60,019,726	19,631,799	**Current Assets**
Stock	9	-	-	Stock
Debtors	10	52,965,526	16,654,202	Debtors
Shortterm portion of Investments	7	-	-	Shortterm portion of Investments
Shortterm portion of Longterm Debtors	8	-	-	Shortterm portion of Longterm Debtors
Defered Charges	6	-	-	Defered Charges
Cash	23	7,054,201	2,977,598	Cash
Current Liabilities		12,336,786	6,238,909	**Current Liabilities**
Provisions	11	1,214,973	1,293,998	Provisions
Creditors	12	11,116,301	4,944,911	Creditors
Bank Overdraft	23	-	-	Bank Overdraft
Shortterm portion of longterm liabilities	4	5,512	-	Shortterm portion of longterm liabilities
		50,403,093	**19,181,859**	

P.ROSSLEE

Acting Municipal Manage

31 AUGUST 2006

DIPALESENG MUNICIPALITY

INCOME STATEMENT FOR THE YEAR ENDED 30 JUNE 2005

	2004/2005			2005/2006			
	Actual Income	**Actual Expenditure**	**Surplus/ (Deficit)**	**Actual Income**	**Actual Expenditure**	**Surplus/ (Deficit)**	
	R	R	R	R	R	R	
RATES AND GENERAL SERVICES	22,091,065	15,501,388	6,589,678	26,048,321	20,178,926	5,869,395	**RATES AND GENERAL SERVICES**
Community Services	11,657,092	9,166,277	2,490,815	15,542,514	11,289,736	4,252,778	Community Services
Subsidised Services	351,959	1,395,414	-1,043,455	428,625	1,639,953	-1,211,328	Subsidised Services
Economic Services	10,082,014	4,939,696	5,142,318	10,077,182	7,249,237	2,827,945	Economic Services
TRADING SERVICES	18,304,046	13,369,461	4,934,585	17,421,726	16,200,295	1,221,431	**TRADING SERVICES**
TOTAL	**40,395,111**	**28,870,848**	**11,524,263**	**43,470,047**	**36,379,222**	**7,090,826**	**TOTAL**
Appropriations for the year (Refer to note 17)			5,933,375			-39,624,930	Appropriations for the year (Refer to note 17)
			17,457,638			-32,534,105	
Net surplus/(deficit) for the year							**Net surplus/(deficit) for the year**
Retained surplus/(Accumulated deficit) beginning of the year			29,504,332			46,961,970	Retained surplus/(Accumulated deficit) beginning of the year
RETAINED SURPLUS/(ACCUMULATED DEFICIT) BEGINNING OF THE YEAR			**46,961,970**			**14,427,865**	**RETAINED SURPLUS/(ACCUMULATED DEFICIT) BEGINNING OF THE YEAR**

Refer to Appendices D & E for further details.

DIPALESENG MUNICIPALITY

CASH FLOW STATEMENT FOR THE YEAR ENDED 30 JUNE 2005

	Note	2004/2005 R	2005/2006 R	
CASH RETAINED FROM OPERATING ACTIVITIES:		**2,075,391**	**-979,001**	**CASH RETAINED FROM OPERATING ACTIVITIES:**
Cash generated by operations	18	7,259,854	-34,597,876	Cash generated by operations
Investment Income	16	125,300	352,254	Investment Income
(Increase)/Decrease deposits	5	-59,889	-91,753	
(Increase)/Decrease in working capital	19	-18,531,329	30,139,935	(Increase)/Decrease in working capital
		-11,206,064	**-4,197,441**	
Less: External interest paid	16	-4,385	-1,152	*Less:* External interest paid
Cash available from operations		**-11,210,449**	**-4,196,289**	**Cash available from operations**
		13,285,840	**3,217,289**	
Addition to fixed assets	6	-31,278	-91,094	Addition to fixed assets
Cash contributions from the public and State		13,317,118	3,308,382	Cash contributions from the public and State
CASH UTILIZED IN INVESTING ACTIVITIES		-	-	**CASH UTILIZED IN INVESTING ACTIVITIES**
Nett proceeds from disposal of assets		-	-	Nett proceeds from disposal of assets
Transferred		-	-	Transferred
		2,075,391	**-979,001**	
CASH EFFECTS OF FINANCING ACTIVITIES:				**CASH EFFECTS OF FINANCING ACTIVITIES:**
Increase/(Decrease) in Long-term Loans	20	-5,512	-14,394	Increase/(Decrease) in Long-term Loans
Increase/(Decrease) in Short term Loans	21	-	-	Increase/(Decrease) in Short term Loans
(Increase)/Decrease in Cash Investments	22	-2,145,202	-3,083,210	(Increase)/Decrease in Cash Investments
(Increase)/Decrease in Cash	23	75,323	4,076,604	(Increase)/Decrease in Cash
Net cash (generated)/utilized		**-2,075,391**	**979,000**	**Net cash (generated)/utilized**

DIPALESENG MUNICIPALITY

NOTES TO THE FINANCIAL STATEMENTS AT 30 JUNE 2006

	2004/2005 R	2005/2006 R	
1. **STATUTORY FUNDS**			1. **STATUTORY FUNDS**
Asset Replacement Fund	533,106	2,113,366	Asset Replacement Fund
Land Trust Fund	123,170	-	Land Trust Fund
(Refer to Appendix A for more detail)	**656,276**	**2,113,366**	(Refer to Appendix A for more detail)
2. **RESERVES**			2. **RESERVES**
	-	-	0
(Refer to Appendix A for more detail)	-	-	(Refer to Appendix A for more detail)
3. **TRUST FUNDS**			3. **TRUST FUNDS**
Housing	798,488	-	Housing
Grants-Electrification	212,388	555,772	Grants-Electrification
L E D Sort	524,438	327,358	L E D Sort
Community Development	-	17,273	
Municipal Capacity Building	366,284	229,279	Municipal Capacity Building
Finance Management	116,024	-	Finance Management
M.I.G. Funds	-	660,850	
(Refer to Appendix A for more detail)	**2,017,623**	**1,790,533**	(Refer to Appendix A for more detail)

DIPALESENG MUNICIPALITY

NOTES TO THE FINANCIAL STATEMENTS AT 30 JUNE 2006

	2004/2005 R	2005/2006 R	
4 **LONG TERM LIABILITIES**			4 **LONG TERM LIABILITIES**
Local Registered Stock	-	-	Local Registered Stock
Annuity Loans	14,394	-	Annuity Loans
Long Term Secured Loans	-	-	Long Term Secured Loans
	14,394	-	
Less: Short term part transferred to current liabilities	5,512	-	*Less:* Short term part transferred to current liabilities
	8,882	**-**	
For more information se Appendix B.			For more information se Appendix B.
5 **CONSUMER DEPOSITS: SERVICES**			5 **CONSUMER DEPOSITS: SERVICES**
Services	758,342	850,095	Services
	758,342	**850,095**	
Guarantees in respect of electricity- and water deposits amounted to R			Guarantees in respect of electricity- and water deposits amounted to R
6 **FIXED ASSETS**			6 **FIXED ASSETS**
Fixed assets at the beginning of the year	68,200,826	68,232,105	Fixed assets at the beginning of the year
Fixed assets purchased or received during the year	31,278	6,258,231	Fixed assets purchased or received during the year
Less: Assets written off, transferred or disposed of during the year	-	-	*Less:* Assets written off, transferred or disposed of during the year
Total Fixed Assets	68,232,105	74,490,335	**Total Fixed Assets**
Work in progress	-	-	
Township Development	-	-	
	68,232,105	74,490,335	
Less: Defered Charges	-	-	*Less:* Defered Charges
Less: Loans redeemend and other capital receipts	-68,217,710	-74,490,335	*Less:* Loans redeemend and other capital receipts
Net fixed assets	**14,394**	**-**	**Net fixed assets**
Defered Charges	-	-	
(Refer to Appendix C and paragraph 2 of the report of the Treasurer for more detail)			(Refer to Appendix C and paragraph 2 of the report of the Treasurer for more detail)
7 **INVESTMENTS**			7 **INVESTMENTS**
Unlisted investments against management's valuation:			Unlisted investments against management's valuation:
Long-term	-	-	Long-term
Short term	2,685,515	5,768,725	Short term
Retention	20,243	20,243	
Total Investments	**2,705,759**	**5,788,969**	**Total Investments**
Average interest received on investments were %	**7,71%**	**13.02%**	Average interest received on investments were %
Management Valuation	2,705,759	5,788,969	Management Valuation
Investments are made in accordance with the Investment policy			Investments are made in accordance with the Investment policy
Investment to the amount of R 500 000 was pledged as security against overdraft facilities.			Investment to the amount of R 500 000 was pledged as security against overdraft facilities.

DIPALESENG MUNICIPALITY

NOTES TO THE FINANCIAL STATEMENTS AT 30 JUNE 2006

		2004/2005 R	2005/2006 R	
8	**LONG TERM DEBTORS**			8 **LONG TERM DEBTORS**
	Erven Sales	-	-	Erven Sales
	Debtors Capitalisation	-	-	Debtors Capitalisation
		-	-	
	Shortterm Portion of Longterm Debtors	-	-	Shortterm Portion of Longterm Debtors
9.	**STOCK**			9. **STOCK**
	Stock represents consumable stores, raw materials, unfinished work and finished goods.	-	-	Stock represents consumable stores, raw materials, unfinished work and finished goods.
	Stock Shortages	-	-	Stock Shortages
	Stock exclude VAT at 14 %.	-	-	Stock exclude VAT at 14 %.
10.	**DEBTORS**			10. **DEBTORS**
	Current Debtors			Current Debtors
	Consumer Services	39,756,528	43,768,179	Consumer Services
	Debtors Capitalisation	42,637,473	42,560,191	Debtors Capitalisation
		82,394,001	86,328,370	
	Provision for Bad Debt	29,335,699	69,068,884	Provision for Bad Debt
		53,058,302	17,259,486	
	Sundries	787,299	399,289	Sundries
	Suspense Accounts	402,778	885,465	Suspense Accounts
		54,248,379	18,544,240	
	Net VAT on Current Debtors	-1,282,853	-1,890,039	Net VAT on Current Debtors
	1,284,754	**52,965,526**	**16,654,201**	
	Consumer Debtors Age Analysis			Consumer Debtors Age Analysis
	Current		5,781,482	Current
	30 Days		2,624,696	30 Days
	60 Days		2,234,924	60 Days
	90 Days		1,696,048	90 Days
	120 Days		1,667,038	120 Days
	150 days and more		29,763,991	150 days and more
	Total	-	**43,768,179**	**Total**
11.	**PROVISIONS**			11. **PROVISIONS**
	Leave	1,214,973	1,293,998	Leave
		1,214,973	**1,293,998**	
	(Refer to Appendix A for more detail)			(Refer to Appendix A for more detail)
12.	**CREDITORS**			12. **CREDITORS**
	Trade Creditors	1,307,315	1,109,836	Trade Creditors
	Other Creditors	-	-	Other Creditors
	Received in Advance	528,235	-	Received in Advance
	Suspense Accounts	8,402,031	3,261,254	Suspense Accounts
	Deposits	20,488	20,488	Deposits
	Other	858,233	553,332	Other
	SARS	-	-	SARS
		11,116,301	**4,944,911**	

DIPALESENG MUNICIPALITY

NOTES TO THE FINANCIAL STATEMENTS AT 30 JUNE 2006

13 ASSESSMENT RATES

	Site valuation as at 1 July 2005 R'000	Actual Income - 2004/5 R	Actual Income - 2005/2006 R
Residential	31,268,000	4,165,240	4,779,700
Commercial	4,750,000	-	-
State	7,900,000	-	-
State - Residential	-	-	-
Argicultural	-	-	-
Municipal	-	-	-
	43,918,000	4,165,240	4,779,700

The valuation of land are performed every five years and the last general valuation took effect on 01/07/2004.

A discount of 20% was granted to the State.

13 ASSESSMENT RATES

Residential
Commercial
State
State - Residential
Argicultural
Municipal

The valuation of land are performed every five years and the last general valuation took effect on 01/07/2004.

A discount of 20% was granted to the State.

14 COUNCILLORS' REMUNERATION

	2004/2005 R	2005/2006 R
Mayor	103,160	187,390
Speaker	84,985	149,910
Executive committee members	160,920	288,920
Councillors	339,700	434,870
Medical Aid	133,850	22,380
Pension Fund Contributions iro councillors	65,970	-
	888,585	**1,083,470**

14 COUNCILLORS' REMUNERATION

Mayor
Speaker
Executive committee members
Councillors
Medical Aid
Pension Fund Contributions iro councillors

15 AUDITORS' REMUNERATION

Over/(Under) Budget	-	-
Budget	-	-
Actual	-	-

15 AUDITORS' REMUNERATION

Over/(Under) Budget
Budget
Actual

DIPALESENG MUNICIPALITY

NOTES TO THE FINANCIAL STATEMENTS AT 30 JUNE 2006

		2004/2005 R	2005/2006 R	
16.	**FINANCE TRANSACTIONS**			16. **FINANCE TRANSACTIONS**
	Total external interest earned or paid:			**Total external interest earned or paid:**
	Interest earned	125,300	352,254	Interest earned
	Interest paid	4,385	1,152	Interest paid
	Capital charges debited to operating account:			**Capital charges debited to operating account:**
	Interest:	4,385	1,152	Interest:
	External	4,385	1,152	External
	Internal	-	-	Internal
	Redemption:	5,512	14,394	Redemption:
	External	5,512	14,394	External
	Internal	-	-	Internal
	Loan Redemption Fund	-	-	Loan Redemption Fund
	Additional redemption provided out of unappropriated surplus	-	-	Additional redemption provided out of unappropriated surplus
	Redemption against Loan Redemption Fund	-	-	Redemption against Loan Redemption Fund
		9,897	**15,546**	
17.	**APPROPRIATIONS**			17. **APPROPRIATIONS**
	Appropriation account			**Appropriation account**
	Retained surplus at the beginning of the year	29,504,332	46,961,970	Retained surplus at the beginning of the year
	Operating surplus/(deficit) for the year	11,524,263	7,090,826	Operating surplus/(deficit) for the year
	Appropriations for the year:	5,933,375	-39,624,930	Appropriations for the year:
	Bad debt	-	-	Bad debt
	Appropriations	5,933,375	-39,624,930	Appropriations
	Retained surplus/(accumulated deficit) at the end of the year	**46,961,970**	**14,427,865**	**Retained surplus/(accumulated deficit) at the end of the year**
	Operating account			**Operating account**
	Capital expenditure	13,663	91,094	Capital expenditure
	Contributions to:			*Contributions to:*
	Capital Development Fund	-	-	Renewal funds
	Other	2,583,556	3,204,210	Other
		2,597,219	**3,295,304**	

DIPALESENG MUNICIPALITY

NOTES TO THE FINANCIAL STATEMENTS AT 30 JUNE 2006

	2004/2005 R	2005/2006 R	
18. **CASH GENERATED BY OPERATIONS**			18. **CASH GENERATED BY OPERATIONS**
(Deficit)/Surplus for the year	11,524,263	7,090,826	(Deficit)/Surplus for the year
Adjustments in respect of previous years' operating transactions	5,933,375	-39,624,930	Adjustments in respect of previous years' operating transactions
Appropriations charged against income:	2,597,219	3,295,304	Appropriations charged against income:
* Capital Development Fund	-	-	* Capital Development Fund
* Other	2,583,556	3,204,210	* Other
* Capital	13,663	91,094	
Capital Charges:			Capital Charges:
* Interest paid:			* Interest paid:
- to internal funds	-	-	- to internal funds
- to external loans	4,385	1,152	- to external loans
* Redemption:			* Redemption:
- of internal advances	-	-	- of internal advances
- of external loans	5,512	14,394	- of external loans
* Loan redemption fund contribution	-	-	* Loan redemption fund contribution
Investment Income (Operating account)	-2,546,108	-352,254	Investment Income (Operating account)
Other non-operating income	5,798,051	241,227	Other non-operating income
Non-operating income:			Non-operating income:
* Net income from Provisions and reserves	-7,519,065	-3,308,382	* Net income from Provisions and reserves
Non-operating expenditure:			Non-operating expenditure:
* Expenditure charged against Provisions and Reserves	-8,537,778	-1,955,213	* Expenditure charged against Provisions and Reserves
	7,259,854	**-34,597,876**	
19. **(INCREASE)/DECREASE IN WORKING CAPITAL**			19. **(INCREASE)/DECREASE IN WORKING CAPITAL**
(Increase)/Decrease in Stock	36,293	-	(Increase)/Decrease in Stock
(Increase)/Decrease in Debtors	-15,340,815	36,311,325	(Increase)/Decrease in Debtors
Increase/(Decrease) in Creditors	-3,226,807	-6,171,390	Increase/(Decrease) in Creditors
	-18,531,329	**30,139,935**	
20. **INCREASE/(DECREASE) IN LONG-TERM LOANS (EXTERNAL)**			20. **INCREASE/(DECREASE) IN LONG-TERM LOANS (EXTERNAL)**
Loans raised / transferred	-	-	Loans raised / transferred
Loans repaid	-5,512	-14,394	Loans repaid
	-5,512	**-14,394**	

DIPALESENG MUNICIPALITY

NOTES TO THE FINANCIAL STATEMENTS AT 30 JUNE 2006

	2004/2005 R	2005/2006 R	
21. INCREASE/(DECREASE) IN SHORT TERM LOANS (EXTERNAL)			**21. INCREASE/(DECREASE) IN SHORT TERM LOANS (EXTERNAL)**
Loans raised	-	-	Loans raised
Loans repaid	-	-	Loans repaid
	-	-	
22. (INCREASE)/DECREASE IN EXTERNAL CASH INVESTMENTS			**22. (INCREASE)/DECREASE IN EXTERNAL CASH INVESTMENTS**
Investments made	6,145,212	11,742,726	Investments made
Investments realised	4,000,011	8,659,516	Investments realised
	-2,145,202	**-3,083,210**	
23. (INCREASE)/DECREASE IN CASH ON HAND			**23. (INCREASE)/DECREASE IN CASH ON HAND**
Cash balance at the beginning of the year	7,126,224	7,050,901	Cash balance at the beginning of the year
Less: Cash balance at the end of the year	7,050,901	2,974,298	*Less:* Cash balance at the end of the year
	75,323	**4,076,604**	
Petty Cash	**3,300**	**3,300**	
24. CAPITAL DEVELOPMENT FUND			**24. CAPITAL DEVELOPMENT FUND**
Outstanding advances to borrowing services:			**Outstanding advances to borrowing services:**
Accumulated fund	-	-	Accumulated fund
Less: External investment	-	-	*Less:* External investment
	-	-	

DIPALESENG MUNICIPALITY

NOTES TO THE FINANCIAL STATEMENTS AT 30 JUNE 2006

	2004/2005 R	2005/2006 R	
25 **CONTINGENT LIABILITIES**			25 **CONTINGENT LIABILITIES**
W J M Project Management-Claim compony was appointed as consultant	65,000	500,000	Guarantees by the Council in respect of
By former Greylingstad TLC whilst V3 was actually appointed	-	-	commercial bank housing loans to officials.
S MASHELE And J Tsotetsi-CCMA	-	680,000	Lease Agreements
Hill Side Farm-Pollution of farm dams by spillage of waste water	2,000,000	-	Litigation against Council in progress.
	2,065,000	**1,180,000**	
26 **CAPITAL COMMITMENTS**			26 **CAPITAL COMMITMENTS**
Liability shown under creditors on the balance sheet			***Liability shown under creditors on the balance sheet***
Commitments in respect of capital expenditure			Commitments in respect of capital expenditure
- Approved and contracted for			- Approved and contracted for
- Approved but not contracted for	-	-	- Approved but not contracted for
	-	-	
Finance			Finance
- Internal sources			- Internal sources
- External sources	-	-	- External sources
- External sources	-	-	- External sources
- Provincial Goverment	-	-	- Provincial Goverment
- District Council	-	-	- District Council
	-	-	

DIPALESENG MUNICIPALITY

APPENDIX A

ACCUMULATED FUNDS, TRUST FUNDS, RESERVES AND PROVISIONS

	BALANCE AT 01/07/2005 R	CONTRIBUTIONS DURING THE YEAR R	INTEREST ON INVESTMENTS R	OTHER INCOME R	EXPENDITURE DURING THE YEAR R	BALANCE AT 30/06/2006 R	
AUTHORISED FUNDS							**AUTHORISED FUNDS**
Asset Replacement Fund	533,106			1,580,259		2,113,366	Asset Replacement Fund
Land Trust Fund	123,170	-	-	-	123,170	-	Land Trust Fund
	656,276	**-**	**-**	**1,580,259**	**123,170**	**2,113,366**	
RESERVES							**RESERVES**
	-	-	-	-	-	-	
TRUST FUNDS							**TRUST FUNDS**
Housing	798,488	-			798,488	-	Housing
Grants-Electrification	212,388	-		1,050,000	706,616	555,772	Grants-Electrification
L E D Sort	524,438				197,080	327,358	L E D Sort
Community Development(Insurers)	-	-		17,273	-	17,273	
Municipal Capacity Building	366,284				137,005	229,279	Municipal Capacity Building
M.I.G.Funds	-	-		660,850		660,850	
Finance Management	116,024				116,024	-	Finance Management
	2,017,623	**-**	**-**	**1,728,123**	**1,955,213**	**1,790,533**	
PROVISIONS							**PROVISIONS**
Leave Owed	1,214,973	79,025	-	-	-	1,293,998	Leave Owed
	1,214,973	**79,025**	**-**	**-**	**-**	**1,293,998**	
TOTALS	**3,888,872**	**79,025**	**-**	**3,308,382**	**2,078,382**	**5,197,897**	TOTALS
Refer notes 1,2 and 3							Refer notes 1,2 and 3
PROVISIONS I R O DEBTORS							**PROVISIONS I R O DEBTORS**
Bad Debt	29,335,699	39,733,185	-	-	-	69,068,884	Bad Debt
	29,335,699	**39,733,185**	**-**	**-**	**-**	**69,068,884**	
Refer note 9						-	Refer note 9

DIPALESENG MUNICIPALITY

APPENDIX B

EXTERNAL LOANS AND INTERNAL ADVANCES

	Balance at 01/07/2005	Received during the year	Redeemed or written off during the year	Balance at 30/06/2006	
EXTERNAL LOANS	-	-	-	-	**EXTERNAL LOANS**
Local Stock Issued					**Local Stock Issued**
	-	-	-	-	
	-	-	-	-	
ANNUITY & GOVERNMENT LOANS					**ANNUITY & GOVERNMENT LOANS**
DBSA **Six Monthly**	14,394	-	14,394	-	**DBSA** **Six Monthly**
	14,394	-	**14,394**	-	
LONG TERM SECURED LOANS	-	-	-	-	**LONG TERM SECURED LOANS**
	-	-	-	-	
TOTAL EXTERNAL LOANS	**14,394**	-	**14,394**	-	**TOTAL EXTERNAL LOANS**
INTERNAL ADVANCES TO BORROWING SERVICES					**INTERNAL ADVANCES TO BORROWING SERVICES**
		-	-		
		-	-		
TOTAL INTERNAL ADVANCES	-	-	-	-	**TOTAL INTERNAL ADVANCES**
TOTAL LOANS AND ADVANCES	**14,394**	-	**14,394**	-	**TOTAL LOANS AND ADVANCES**

Annuity - and Government Loans were entered into with DBSA at various interest rates and over varied repayment terms.

Annuity - and Government Loans were entered into with DBSA at various interest rates and over varied repayment terms.

DIPALESENG MUNICIPALITY

APPENDIX C

ANALYSIS OF FIXED ASSETS

Expenditure 2004/2005 R	Service	Budget 2005/2006 R	Balance at 01/07/2005 R	Expenditure 2005/2006 R	Written off, transferred, redeemed or disposed of during the year R	Balance at 30/06/2006 R
	RATES AND GENERAL SERVICES					
31,278		14,756,635	30,938,939	3,313,538	-	34,252,477
31,278	**COMMUNITY SERVICES**	3,259,885	10,482,588	301,919	-	10,784,507
29,896	Corporate Services	6,000	64,989	72,938	-	137,928
-	Council General	153,885	1,305,450	25,227	-	1,330,677
-	Finance	6,000	570,782	203,753	-	774,535
	Health Services		19,541	-	-	19,541
-	Workshop	-	3,550	-	-	3,550
-	Community Service	-	15,104	-	-	15,104
1,382	Municipal Manager	-	13,323	-	-	13,323
	Registration and Licenensing		639,061	-	-	639,061
-	Roads and Streetworks	2,994,000	7,841,388	-	-	7,841,388
-	Licensing	-	9,399	-	-	9,399
-	Traffic	100,000	-	-	-	-
-	**SUBSIDISED SERVICES**	692,000	11,404,628	188,694	-	11,593,322
-	Cemetery	390,000	15,008	-	-	15,008
-		-	-	-	-	-
-	Fire Brigade Services	-	887,388	-	-	887,388
-	Library	-	31,294	-	-	31,294
-	Parks Administration	2,000	743,815	188,694	-	932,509
-	Public Buildings	300,000	9,727,123	-	-	9,727,123
-	**ECONOMIC SERVICES**	10,804,750	9,051,724	2,822,925	-	11,874,649
-	Official Housing	-	-	-	-	-
-	Refuse	201,630	345,906	-	-	345,906
-	Sewerage	10,603,120	8,705,818	2,822,925	-	11,528,743
-	**HOUSING SERVICES**	-	26,006	-	-	26,006
-	Economic Housing	-	21,132	-	-	21,132
-	Sub-Economic Schemes		4,874	-	-	4,874
-	**TRADING SERVICES**	2,168,000	37,267,160	2,944,693	-	40,211,853
-	Electricity	1,162,000	3,615,602	534,269	-	4,149,871
-	Water	1,006,000	33,651,558	2,410,424	-	36,061,982
	sub-total		**68,232,105**	**6,258,231**	-	**74,490,335**
				6,258,231		74,490,335
-	**OTHER**	-	-	-	-	-
-	Township Development	-	-	-	-	-
-	Work in progress		-	-	-	-
-	Unspent Loans	-	-	-	-	-
31,278	**TOTAL FIXED ASSETS**	16,924,635	68,232,105	6,258,231	-	74,490,335
	LESS: LOANS REDEEMED AND					
-	OTHER CAPITAL RECEIPTS		68,217,710	6,272,625	-	74,490,335
	Loans redeemed and advances					
	repaid		19,827,381	14,394	-	19,841,775
	Contributions ex Operating Income		4,020,566	91,094	-	4,111,660
	General Capital		44,369,763	6,167,137	-	50,536,900
31,278	**NET FIXED ASSETS**		**14,394**	**-14,394**	**-**	**-**

DIPALESENG MUNICIPALITY

ANALYSIS OF OPERATING INCOME AND EXPENDITURE
FOR THE YEAR ENDED 30 JUNE 2006

	2004/2005 Actual R	2005/2006 Budget R	2005/2006 Actual R	
INCOME				**INCOME**
Grants and subsidies:	7,519,065	12,250,000	12,306,127	Grants and subsidies:
- National Government	-	12,250,000	12,306,127	- National Government
- Provincial Government	-	-	-	- Provincial Government
- District Municipality	-	-	-	- District Municipality
- Other	7,519,065	-	-	- Other
Operating Income:	32,876,046	37,587,730	31,163,921	Operating Income:
- Assessment Rates	4,165,240	4,683,625	4,779,701	- Assessment Rates
- Sale of electricity	-	13,957,720	10,928,196	- Sale of electricity
- Sale of water	-	7,016,630	6,493,530	- Sale of water
- Interest	-	30,535	352,254	- Interest
- Other services and levies	28,710,806	11,899,220	8,610,240	- Other services and levies
TOTAL	**40,395,111**	**49,837,730**	**43,470,048**	
EXPENDITURE				**EXPENDITURE**
Salaries, Wages and Allowances	11,583,042	13,872,630	13,092,472	Salaries, Wages and Allowances
General Expenses:	16,405,420	28,668,515	22,074,394	General Expenses:
- Buying of electricity	-	8,100,000	6,175,468	- Buying of electricity
- Buying of water	-	1,777,360	1,021,034	- Buying of water
- Other general expenses	16,405,420	18,791,155	14,877,892	- Other general expenses
Repairs and Maintenance	344,905	2,028,230	929,894	Repairs and Maintenance
Capital Charges	9,897	5,621,395	15,546	Capital Charges
Contributions to fixed assets	13,663	212,135	91,094	Contributions to fixed assets
Contributions	2,583,556	3,204,210	3,204,210	Contributions
Gross Expenditure	30,940,483	53,607,115	39,407,610	**Gross Expenditure**
Less: Amounts charged out	2,069,635	4,249,315	3,028,388	*Less:* Amounts charged out
Net Expenditure	**28,870,848**	**49,357,800**	**36,379,222**	**Net Expenditure**
Surplus/(Deficit)	11,524,263			

DIPALESENG MUNICIPALITY

DETAILED INCOME STATEMENT FOR THE YEAR ENDED 30 JUNE 2006

2004/2005 Actual Income R	2004/2005 Actual Expenditure R	2004/2005 Surplus/ (Deficit) R		2005/2006 Actual Income R	2005/2006 Actual Expenditure R	2005/2006 Surplus/ (Deficit) R	2005/2006 Budget Surplus/ (Deficit) R	
			RATES AND GENERAL SERVICES					**RATES AND GENERAL SERVICES**
22,091,065	15,501,388	6,589,678		26,048,321	20,178,926	5,869,395	-1,400,800	
11,657,092	9,166,277	2,490,815	**COMMUNITY SERVICES**	15,542,514	11,289,736	4,252,778	133,435	**COMMUNITY SERVICES**
4,512,633	347,393	4,165,240	Assessment Rates	4,779,701	609,861	4,169,841	3,477,625	Assessment Rates
17,318	1,081,332	-1,064,014	Roads and Streetworks	18,034	293,442	-275,408	-168,300	Roads and Streetworks
-	698,514	-698,514	Community Services	-	659,995	-659,995	-934,870	
2,535,148	2,512,956	22,192	Council General	5,161,656	3,658,188	1,503,468	353,620	Council General
-	121,834	-121,834	Corporate Services	301,404	983,139	-681,735	90	Town Secretary
-	12,573	-12,573	Municipal Manager	100,065	49,460	50,605	59,000	Municipal Manager
1,582,040	577,472	1,004,569	Licencing	1,683,298	761,884	921,414	500,885	
2,787,414	1,700,135	1,087,279	Financial Services	3,335,071	988,580	2,346,491	113,000	Town Treasurer
74	1,160,568	-1,160,494	Town Enginieur	-	2,339,240	-2,339,240	-2,507,465	
222,466	953,502	-731,036	Traffic	163,286	945,949	-782,663	-760,150	Traffic
						-		
351,959	1,395,414	-1,043,455	**SUBSIDISED SERVICES**	428,625	1,639,953	-1,211,328	-1,819,720	**SUBSIDISED SERVICES**
92,707	287,256	-194,550	Municipal Buildings	117,345	375,173	-257,828	-475,565	Administrative Offices
134,248	310,048	-175,800	Cemetery	194,725	312,804	-118,080	-278,230	Cemetery
7,682	226,175	-218,494	Library	4,053	217,088	-213,035	-349,920	Library
-	228,441	-228,441	Fire Brigade Services	-	197,720	-197,720	-248,745	Fire Brigade Services
93,593	13,876	79,717	Old Aged Home	87,303	40,346	46,957	4,990	Health Administration
23,730	10,602	13,128	Official Housing	25,200	12,575	12,625	-4,155	
-	319,015	-319,015	Parks Administration	-	484,247	-484,247	-468,095	Parks Administration
10,082,014	4,939,696	5,142,318	**ECONOMIC SERVICES**	10,077,182	7,249,237	2,827,945	285,485	**ECONOMIC SERVICES**
2,739,574	1,589,444	1,150,129	Cleansing	3,326,251	2,103,029	1,223,222	71,210	Cleansing
7,342,441	3,350,252	3,992,189	Sewerage	6,750,932	5,146,208	1,604,723	214,275	Sewerage
-	-	-	**HOUSING SERVICES**					
-	-	-	Housing					
-	-							
18,304,046	13,369,461	4,934,585	**TRADING SERVICES**	17,421,726	16,200,295	1,221,431	6,258,145	**TRADING SERVICES**
10,725,338	9,650,342	1,074,996	Electricity	10,928,196	9,701,906	1,226,290	1,550,485	Electricity
7,578,708	3,719,118	3,859,590	Water	6,493,530	6,498,389	-4,859	4,707,660	Water
-	-	-	Less amount recharge			-		Less amount recharge
40,395,111	**28,870,848**	**11,524,263**	**TOTAL**	**43,470,047**	**36,379,222**	**7,090,826**	4,857,345	**TOTAL**
			Appropriations for this year					Appropriations for this year
		5,933,375	(refer to note 17)			-39,624,930		(refer to note 17)
		17,457,638	Net surplus/(deficit) for the year			-32,534,105		Net surplus/(deficit) for the year
			Retained surplus/(accumulated deficit)					Retained surplus/(accumulated deficit)
		29,504,332	beginning of the year			46,961,970		beginning of the year
			Retained surplus/(accumulated deficit)					Retained surplus/(accumulated deficit)
		46,961,970	end of the year			**14,427,865**		end of the year

DIPALESENG MUNICIPALITY

STATISTICAL INFORMATION

		2005	2006	
GENERAL STATISTICS				**GENERAL STATISTICS**
Population		46,000	50,000	Population
Number - Residential erven				Number - Residential erven
Number - Commercial/Indusrial erven				Number - Commercial/Indusrial erven
Rates tafiff (c/R)		0.240000	0.002600	Rates tafiff (c/R)
Number of employees		141	181	Number of employees
ELECTRICAL STATISTICS				**ELECTRICAL STATISTICS**
Number of users		1,848	2,997	Number of users
Number of units bought		35,881,690	34,028,570	Number of units bought
Number of units sold		30,013,365	25,913,140	Number of units sold
Distribution losses		5,868,325	8,115,430	Distribution losses
Distribution losses-%		16	23	Distribution losses-%
Purchase price R @kwh				Purchase price R @kwh
Selling price (Residential R @kwh)		0.33000	0.35000	Selling price (Residential R @kwh)
Selling price (Commercial R @kwh)		0.36000	0.38000	Selling price (Commercial R @kwh)
WATER STATISTICS				**WATER STATISTICS**
Number of users		8,540	9,005	Number of users
Number of units bought		2,100,180	1,594,860	Number of units bought
Number of units sold		958,750	1,185,000	Number of units sold
Distribution losses		1,141,430	409,860	Distribution losses
Distribution losses-%		54	25	Distribution losses-%
Purchase price (R @kl)		3.00	3.30	Purchase price (R @kl)
Selling price (All users R @kl)		5.20	5.80	Selling price (All users R @kl)
OTHER STATISTICS				**OTHER STATISTICS**
Area km2				Area km2
Registered voters		18,000	22,000	Registered voters
Tarred roads-Km.		65	68	Tarred roads-Km.
Gravel Roads-KM		37	34	Gravel Roads-KM
Water Pipelines-Km.		90	90	Water Pipelines-Km.
Sewer Pipelines-Km		36	36	Sewer Pipelines-Km
Number of High Schools		7	7	Number of High Schools
Number of Primary Schools		7	7	Number of Primary Schools
Number of Churches		15	15	Number of Churches

DIPALESENG MUNICIPALITY
FINANCIALSTATISTICAL RATIO INFORMATION

	2005	2006	
Coverage of Short term portion of Long term liabilities	-430.30%	3.67%	Coverage of Short term portion of Long term liabilities
Short term debt coverage in terms of Income	18%	9%	Short term debt coverage in terms of Income
Debtors test	493 days	492 days	Debtors test
Creditors test	14 days	18 days	Creditors test
Capital cost Burden to Total Income	9%	8%	Capital cost Burden to Total Income
Staff cost To Total Expenditure	30%	27%	Staff cost To Total Expenditure
Grant dependency	8%	10%	Grant dependency
Cash funding	147%		Cash funding
Salaries and Bulk Purchases caverage	-2.35 : 1	0.02 : 1	Salaries and Bulk Purchases caverage
Net current assets	0.84 : 1	9.83 : 1	Net current assets
Long term assets	1.10 : 1	0.75 : 1	Long term assets

REPORT FROM THE TREASURER

1. OPERATIONAL RESULTS:

Details of the operating results per department, classification and object of expenditure are included in Appendices D and E.

	Actual 2004/2005	Actual 2005/2006	Variance 2004/2005 2005/2006 %	Budget 2005/2006	Variance Actual / Budget %
INCOME					
Opening Surplus	29,504,332	46,961,970	62.00%		
Operating income for the year	40,395,111	43,470,047	0.76%	49,837,730	-1.46%
Transfers from previous year	5,933,375	-			
Cosing deficit	-	-			
Total	**75,832,818**	**90,432,017**			
EXPENDITURE					
Opening deficit	0	0			
Operating expenditure for the year	28,870,848	36,379,222	26.01%	48,968,245	-34.60%
Transfers from previous year	0	39,624,929			
Closing surplus	46,961,970	14,427,866	-69.28%		
Total	**75,832,818**	**90,432,017**			

The deviation in the surplus is because of contribution to bad debt provision

	Actual 2004/2005	Actual 2005/2006	Variance 2004/2005 2005/2006 %	Budget 2005/2006	Variance Actual / Budget %
1.1 RATES AND GENERAL SERVICES					
Income	22,091,065	26,048,321	17.91%	29,742,505	-14.18%
Expenditure	15,501,388	20,178,926	30.17%	31,143,305	-54.34%
Surplus (Deficit)	6,589,677	5,869,395		-1,400,800	
Of Income	**2.98%**	**2.25%**		**-0.47%**	
The deviation is because of depreciation entries that did ot realise					
1.2 HOUSING SERVICES					
Income	-	-	-	-	-
Expenditure	-	-	-	-	-
Surplus (Deficit)	-	-	-	-	-
1.3 TRADING SERVICES					
Income	18,304,045	17,421,726	-4.82%	20,095,225	-15.35%
Expenditure	13,369,460	16,200,295	21.17%	18,214,495	-12.43%
Surplus (Deficit)	4,934,585	1,221,431		1,880,730	
% Of Income	**2.70%**	**0.70%**	**-**	**0.94%**	
Deviation Sale of Electricity AND Water decreased					

2 CAPITAL EXPENDITURE AND FINANCING

The expenditure on fixed assets during the year amounted to R 6 258 240 and was financed as follows

SOURCE OF FINANCE	Werklik / Actual 2005/2006	
	R	
Finance Mangement Grant	137,000	
Municipal Capacity Grant	316,790	
Income	91,100	
Gert Sibande	5,713,350	
	6,258,240	

3 EXTERNAL LOANS, INVESTMENTS AND LIQUIDITY.

No loans were taken up to be utilsed for aquiring assets

There were investments to the amount of R 5 788 970 on 30 June 2006 and cash amounted to R 2 977 600

4 FUNDS

Reserves,Provisions and Trust Funds amounted to R 5 197 900 on 30 June 2006

5 POST BALANCE SHEET EVENTS

Unidentified transactions on the bank reconciliation has been IDENTIFIED AND CAPTURED in the in the 2006/2007 financial year

6 ACKNOWLEDGEMENT

I thank the Municipal Manager and Heads of Departments for their support during the past financial year. A special word of thanks to my staff for their loyalty and support during the year under review.

MUNICIPAL MANAGER